

2009 DRAFTING REQUEST

Bill

Received: **01/30/2009**

Received By: **mkunkel**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Hynek**

This file may be shown to any legislator: **NO**

Drafter: **mkunkel**

May Contact:

Addl. Drafters:

Subject: **Public Util. - energy**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Hynek, BB -

Topic:

Milwaukee energy efficiency program

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/P1	mkunkel 02/01/2009	jdyer 02/02/2009	rschluet 02/02/2009	_____	cduerst 02/02/2009		
/P2	mkunkel 02/02/2009	jdyer 02/02/2009	phenry 02/03/2009	_____	mbarman 02/03/2009		
/P3	mkunkel 02/09/2009	jdyer 02/09/2009	phenry 02/09/2009	_____	lparisi 02/09/2009		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P4	mkunkel 02/11/2009	kfollett 02/11/2009	jfrantze 02/11/2009	_____	cduerst 02/11/2009		

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1/14/09
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/?

mkunkel

PI 2/2 ju

2/29

FE Sent For:

<END>

Kunkel, Mark

From: Hynek, Sara - DOA [Sara.Hynek@Wisconsin.gov]
Sent: Saturday, January 31, 2009 10:37 AM
To: Kunkel, Mark
Cc: Hanaman, Cathlene; Kraus, Jennifer - DOA; Grinde, Kirsten - DOA; Pawasarat, Jane - DOA
Subject: FW: Draft legislation for Me2 program
Importance: High
Attachments: Milwaukee Energy Efficiency Program.doc

Hi Mark – could you please add the attached language to the budget bill (this is a new item), with the following changes:

1. Under sec. 2, change the language to permit a utility to disconnect for non-payment
2. Eliminate sec. 4 and the language regarding the stimulus bill

Thanks!

Sara Hynek
6-1923

**Proposed Legislation for the Milwaukee Energy Efficiency Program
January 29, 2009**

This proposed legislation would authorize the creation of the Milwaukee Energy Efficiency (Me2) program. The legislation would expand the concept, so any energy utility in Wisconsin could participate in such a program.

SECTION 1. 196.374 (1) (i) of the statutes is amended to read:

196.374 (1) (i) "Ordered program" means ~~an~~ either of the following:

1. An energy efficiency or renewable resource program that an energy utility commenced on or after January 1, 2001, under a commission order issued on or after January 1, 2001, and in effect before July 1, 2007.

SECTION 2. 196.374 (1) (i) 2. of the statutes is created to read:

196.374 (1) (i) 2. An immediate savings energy efficiency program under sub. (2) (d).

SECTION 3. 196.374 (2) (d) of the statutes is created to read:

196.374 (2) (d) *Immediate savings energy efficiency programs.* 1. The commission may order an energy utility to administer, fund, or provide administrative services for an immediate savings energy efficiency program that invests in energy efficiency improvements for utility customers, whose costs are offset by the resulting energy savings. An energy utility may propose, subject to prior commission approval, an immediate savings energy efficiency program that invests in energy efficiency improvements for utility customers, whose costs are offset by the resulting savings.

2. Any energy utility that administers, funds, or provides administrative services for an immediate savings energy efficiency program may include a separate line item on its bill that balances the costs of the program against the resulting energy savings. Notwithstanding s. 218.04, an energy utility need not obtain a license as a collection agency for this billing practice,

even if the energy utility is billing for the costs of an immediate savings energy efficiency program that constitutes a non-utility service. An energy utility that is billing for the costs of a non-utility immediate savings energy efficiency program shall file a tariff with the commission, subject to the commission's prior approval, that specifies the terms of its billing service.

3. An energy utility that administers, funds or provides administrative services for an immediate savings energy efficiency program as a utility service shall file a tariff with the commission, subject to the commission's prior approval, that specifies the terms of service. The terms of service shall include the following provisions:

a. A contract with the recipient of any energy efficiency improvement, requiring the recipient to inform all property lessees that the cost of the improvement will appear on their utility bills, if the lessees are liable for utility service.

b. A contract with the recipient of any energy efficiency improvement, requiring the recipient to inform any subsequent owner of the property that the subsequent owner is liable for the unpaid cost of the improvement, which will appear on the subsequent owner's utility bills.

4. An energy utility that provides administrative services for an immediate savings energy efficiency program as a non-utility service may not disconnect the customer for failure to pay the costs of the energy efficiency improvements and may not recover from ratepayers bad debts related to the program.

5. Any costs that an energy utility incurs to administer, fund, or provide administrative services for an immediate savings energy efficiency program are in addition to the amounts the commission shall require the energy utility to spend under sub. (3) (b) 2.

SECTION 4. Nonstatutory provisions. (1) PILOT PROGRAM. If sufficient federal money becomes available to finance an immediate savings energy efficiency program under

section 196.374 (2) (d) of the statutes, as affected by this act, the public service commission shall
create a pilot immediate savings energy efficiency program.

(End)

O:\2009-2010 Legislative Drafting\PSC Legislative Ideas\Milwaukee Energy Efficiency Program.doc



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1895/P1

MDK: A:....

D-NOTE

jld

DOA:.....Hynek, BB - Milwaukee energy efficiency program ✓

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

2-1-09

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1

AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT ✓

PUBLIC UTILITY REGULATION ✓

This is a preliminary draft. An analysis will be provided in a later version. ✓

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2

SECTION 1. *x* 196.374 (1) (i) of the statutes is renumbered 196.374 (1) (i) (intro.)

3

and amended to read: *(intro.)*

4

196.374 (1) (i) *x* "Ordered program" means an any of the following: ✓

5

✓ 1. An energy efficiency or renewable resource program that an energy utility

6

commenced on or after January 1, 2001, under a commission order issued on or after

7

January 1, 2001, and in effect before July 1, 2007.

1 **SECTION 2.** 196.374 (1) (i) 2. of the statutes is created to read:

2 196.374 (1) (i) 2. An immediate savings energy efficiency program[✓] ordered
3 under sub. (2) (d) 1.[✓]

4 **SECTION 3.** 196.374 (2) (d) of the statutes is created to read:

5 196.374 (2) (d) *Immediate savings energy efficiency programs.*[✓] 1. The
6 commission[✓] may, on its own motion or upon application by an energy utility, order
7 an energy utility to administer, fund, or provide administrative services for an
8 immediate savings energy efficiency program[✓] that invests in energy efficiency
9 improvements for utility customers in which the costs of the improvements are offset
10 by the energy savings resulting from the improvements.[✓]

11 2. An energy utility for which an[✓] immediate savings energy efficiency program
12 is ordered under subd. 1.[✓] shall file a tariff specifying the terms and conditions of
13 utility and nonutility[✓] service provided to customers for whom improvements are
14 made under the program. A tariff filed under this subdivision[✓] shall have no effect
15 until approved by the commission. A tariff[✓] filed by ^{an} energy utility under this
16 subdivision[✓] shall include all of the following:

17 a. Terms and conditions for billing customers for utility and nonutility service[✓]
18 related to improvements[✓] benefit^ging the customers.[✓]

19 b. A contract between the energy utility and an owner of property[✓] benefited by
20 an improvement that requires the owner to inform any property lessees who are
21 liable for utility service that the cost of the improvement will appear on the lessees'
22 utility bills[✓] and to inform any purchaser of the property that the purchaser is liable
23 for the unpaid cost of the improvement and that such unpaid cost will appear on the
24 purchaser's utility bills.[✓]

25 c. Any other term or condition required by the commission.[✓]

1 3. An energy utility for which a tariff is approved under subd. 2.✓ for an
2 immediate savings energy efficiency program✓ may include a separate line item on
3 customer bills that balances the costs of the program against the resulting energy
4 savings. Notwithstanding s. 218.04, an energy utility need not obtain a license as
5 a collection agency for this billing practice.✓

6 4. Any costs that an energy utility incurs to administer, fund, or provide
7 administrative services for an immediate savings energy efficiency program✓ are in
8 addition to the amounts the commission shall require the energy utility to spend
9 under sub.✓ (3) (b) 2.

10 **SECTION 4.** 196.374 (3) (b) 2. (intro.)✓ of the statutes is amended to read:

11 196.374 (3) (b) 2. (intro.) The commission shall require each energy utility to
12 spend 1.2 percent of its annual operating revenues to fund the utility's programs
13 under sub. (2) (b) 1., the utility's ordered programs that are described under sub. (1)
14 (i) 1.✓, the utility's share of the statewide energy efficiency and renewable resource
15 programs under sub. (2) (a) 1., and the utility's share, as determined by the
16 commission under sub. (3) (b) 4., of the costs incurred by the commission in
17 administering this section. Subject to approval under subd. 3., the commission may
18 require each energy utility to spend a larger percentage of its annual operating
19 revenues to fund these programs and costs. The commission may make such a
20 requirement based on the commission's consideration of all of the following:

21 **History:** 1983 a. 27; 1999 a. 9; 2001 a. 30; 2005 a. 141; 2007 a. 17, 20.

(END)

d-note
↓

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1895/P1dn

MDK: ^:....

date

jld

Sara Hynek:

Please note the following about this draft, which based on language in the proposal you sent me:

1. I used a different organization for the language. Please let me know if you have any concerns about my organization. ✓

* 2. As I previously mentioned to you, the use of the term "immediate" in "immediate savings energy efficiency program" ✓ could be interpreted to allow the PSC to disapprove a program if, in the PSC's judgment, the savings are not immediate. Also, I'm not sure whether "immediate" is appropriate. Won't savings result over the life of an improvement, rather than be experienced immediately? ✓

* 3. The draft doesn't impose any limit on the type of property that may be benefited by an improvement. Is that okay, or do you want to limit the draft to residential or other types of property? ✓

* 4. In proposed s. 196.374 (2) (d) 1., I combined the ^{e two} sentences in the proposal into one sentence that allows the PSC to order a program on its own motion or upon application by an energy utility. Is that okay? ✓

5. Also regarding proposed s. 196.374 (2) (d) 1., it isn't clear to me whether you want to refer to the costs of the program, the costs of an improvement, or the costs borne by customers. I decided to refer to the costs of an improvement. Is that okay? ✓

6. In proposed s. 196.374 (2) (d) 2. b., is "contract" the right word? The word "contract" implies negotiation, but there doesn't appear to be an opportunity for negotiation. Also, how can a contract bind a person, such as a lessee or purchaser, who is not a party to the contract? Is "contract" used to give an owner the right to allow, or refuse to allow, an improvement to be made at the owner's property? Or is such a right so obvious that it isn't necessary to specify it? ✓

7. Also regarding proposed s. 196.374 (2) (d) 2. b., is it necessary to address the situation in which a purchaser leases the property to lessees who are liable for utility service? In that situation, won't the lessees, and not the purchaser, be liable for the unpaid cost of an improvement? ✓

8. I added proposed s. 196.374 (2) (d) 2. c. [✓] to allow the PSC to require additional terms and conditions for tariffs.

9. Proposed s. 196.374 (2) (d) 3. [✓] says: "An energy utility that files a tariff approved under subd. 2. for an immediate savings energy efficiency program may include a separate line item on customer bills that balances the costs of the program against the resulting energy savings." I have ³ questions: *three*

a. Should the foregoing apply only to the bills of customers who benefit from improvements made under the program? If so, it should be clarified.

b. Does the foregoing mean that an individual customer's bill should have cost and savings information regarding the entire program, including cost and savings information about other customers benefitting from the program, or should the individual customer's bill be limited to information about the individual customer's costs and savings under the program?

c. What does "balance" mean? Does it mean that the bill should indicate the current balance for a particular month? Or do you mean something other than simply indicating a balance on a bill?

10. Regarding the ^{2nd} *second* sentence of proposed s. 196.374 (2) (d) 3., note that I did not include the following language in the proposal, which I don't think is necessary: "even if the energy utility bills for the costs of a service provided under an immediate savings energy efficiency program that is not a utility service."

11. Based on proposed s. 196.374 (2) (d) 4. [✓], I had to amend s. [✓]196.374 (3) (b) 2. (intro.) Let me know if have any questions about this.

12. Because you defined "ordered program" to include an immediate savings energy efficiency program, note that an energy utility is allowed to request modifying or discontinuing such a program at any time under s. 196.374 (2) (b) 3. [✓] Also, the PSC may set or revise goals, priorities, and measurable targets for such a program under s. 196.374 (3) (b) 1. [✓] Is that okay?

13. As requested, I deleted the following from the proposal: "An energy utility that provides administrative services for an immediate savings energy efficiency program as a non-utility service may not disconnect the customer for failure to pay the costs of the energy efficiency improvements and may not recover from ratepayers bad debts related to the program." [✓] Because the disconnections are not prohibited, I think they are allowed and it is not necessary to specify that they are allowed. However, you may want to get the PSC's input on this issue. Also, if you do want to specifically allow disconnections, you probably will want additional language so that disconnections are subject to other restrictions under current law, such as the PSC rule prohibiting disconnections during winter months.

14. As you requested, I also deleted the pilot program described in the nonstatutory provision of the proposal. ✓

Mark D. Kunkel

Senior Legislative Attorney

Phone: (608) 266-0131

E-mail: mark.kunkel@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1895/P1dn
MDK:jld:rs

February 2, 2009

Sara Hynek:

Please note the following about this draft, which based on language in the proposal you sent me:

1. I used a different organization for the language. Please let me know if you have any concerns about my organization.
2. As I previously mentioned to you, the use of the term "immediate" in "immediate savings energy efficiency program" could be interpreted to allow the PSC to disapprove a program if, in the PSC's judgment, the savings are not immediate. Also, I'm not sure whether "immediate" is appropriate. Won't savings result over the life of an improvement, rather than be experienced immediately?
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4. In proposed s. 196.374 (2) (d) 1., I combined the two sentences in the proposal into one sentence that allows the PSC to order a program on its own motion or upon application by an energy utility. Is that okay?
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State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1895/P1

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PUBLIC UTILITY REGULATION

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7 an energy utility to administer, fund, or provide administrative services for an
8 immediate savings energy efficiency program that invests in energy efficiency
9 improvements for utility customers in which the costs of the improvements are offset
10 by the energy savings resulting from the improvements. *borne by a customer for any improvement*

11 2. An energy utility for which an immediate savings energy efficiency program
12 is ordered under subd. 1. ✓ shall file a tariff specifying the terms and conditions of
13 utility and nonutility service provided to customers for whom improvements are
14 made under the program. A tariff filed under this subdivision shall have no effect
15 until approved by the commission. A tariff filed by an energy utility under this
16 subdivision shall include all of the following:

17 a. Terms and conditions for billing customers for utility and nonutility service
18 related to improvements benefiting the customers.

19 b. A contract between the energy utility and an owner of property benefited by
20 an improvement that requires the owner to inform any property lessees who are
21 liable for utility service that the cost of the improvement will appear on the lessees'
22 utility bills and to inform any purchaser of the property that the purchaser is liable
23 for the unpaid cost of the improvement and that such unpaid cost will appear on the
24 purchaser's utility bills. ✓

25 c. Any other term or condition required by the commission.

doe
INSERT 2-24 ✓

offsets borne by the customer

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2 immediate savings energy efficiency program may include a separate line item on
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5 a collection agency for this billing practice.

resulting from the improvement

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14 (i) 1. ✓, the utility's share of the statewide energy efficiency and renewable resource
15 programs under sub. (2) (a) 1., and the utility's share, as determined by the
16 commission under sub. (3) (b) 4., of the costs incurred by the commission in
17 administering this section. Subject to approval under subd. 3., the commission may
18 require each energy utility to spend a larger percentage of its annual operating
19 revenues to fund these programs and costs. The commission may make such a
20 requirement based on the commission's consideration of all of the following:

21 INSERT 3-20 ✓ (END)

of a customer at a property benefited by
an improvement made under the program

**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1895/P2ins
MDK:.....

1

INSERT A:

This bill allows an investor-owned electric or natural gas public utility (energy utility) to apply to the PSC for an order requiring the utility to administer, fund, or provide administrative services for a program that invests in energy efficiency improvements for customers in which the costs borne by a customer for such an improvement are offset by the energy savings resulting from the improvement. If the PSC issues an order for such a program, the energy utility must file a tariff specifying the terms and conditions of utility and nonutility service provided to customers for improvements under the program. A tariff must include terms and conditions for billing customers, as well as contracts between an energy utility and an owner of property that is benefited by an improvement that require the owner to do the following: 1) inform lessees that are liable for utility service that the cost of the improvement will appear on the lessees' utility bills; and 2) inform a purchaser of the property that the purchaser, or any other person who is liable for utility service at the property, is liable for the unpaid costs of the improvement and that such costs will appear on utility bills for the property.

The bill also does the following: 1) allows an energy utility to include a separate line item on customer bills that offsets certain costs of the program with energy savings resulting from an improvement made under the program; 2) prohibits an energy utility from recovering from ratepayers any bad debt related to nonutility services provided under a program; and 3) requires an owner of residential property to make a disclosure about an improvement made under a program on the real estate conditions report that is required for property transfers.

2

INSERT 2-24:

3

c. A contract between the energy utility and an owner of property benefited by

4

an improvement that requires the owner to inform any purchaser of the property

5

that the purchaser, or any other person who is liable for utility service at the property,

6

is liable for the unpaid cost of the improvement and that such unpaid cost will appear

7

on utility bills for the property.

8

INSERT 3-9:

9

5. An energy utility may not recover from ratepayers any bad debt related to

10

nonutility services provided under an immediate savings energy efficiency program.

11

INSERT 3-20:



^X
SECTION 1. 709.03 (form) C. 25m. of the statutes is created to read:

^{NO (B)}
709.03 (form)

C.25m. I am aware that an improvement has been ...
made to the property under an immediate
savings energy efficiency program ordered
under s. 196.374 (2) (d) and that utility bills
for the property will include unpaid costs of
the improvement.

SECTION 9341. Initial applicability; Public Service Commission.

(1) IMMEDIATE SAVINGS ENERGY EFFICIENCY PROGRAMS. The treatment of section
709.03 (form) C. 25m. of the statutes first applies to original real estate condition
reports that are furnished on the effective date of this subsection.

(end ins)

Kunkel, Mark

From: Hynek, Sara - DOA [Sara.Hynek@Wisconsin.gov]
Sent: Monday, February 09, 2009 10:41 AM
To: Kunkel, Mark; Ludwig, David - PSC
Cc: Zolik, Nate - PSC; Lorence, John - PSC
Subject: RE: Changes proposed to the Me2 budget draft

These changes all sound good to me. Thanks!

Sara Hynek
Dept. of Administration
608-266-1923

From: Kunkel, Mark [mailto:Mark.Kunkel@legis.wisconsin.gov]
Sent: Monday, February 09, 2009 10:34 AM
To: Ludwig, David - PSC; Hynek, Sara - DOA
Cc: Zolik, Nate - PSC; Lorence, John - PSC
Subject: RE: Changes proposed to the Me2 budget draft

FYI I will also change page 2 line 18 from "is ordered" to "is authorized."

From: Ludwig, David PSC [mailto:David.Ludwig@psc.state.wi.us]
Sent: Monday, February 09, 2009 9:57 AM
To: Hynek, Sara - DOA
Cc: Kunkel, Mark; Zolik, Nate - PSC; Lorence, John - PSC
Subject: Changes proposed to the Me2 budget draft

Sara, I just talked with Mark Kunkel and proposed two changes to the Me2 draft (LRB-1895/P2). These are the changes that the PSC would like to see:

1. Page 2, line 12: Instead of saying that the PSC may, on application by an energy utility, "order" the utility to implement a Me2 program, change the word to "authorize." This is a more accurate description of what the PSC would do, since "order" connotes an unwilling utility that must be forced to do something. When "order" is changed to "authorize," then SECTION 1, SECTION 2, and SECTION 4 of the draft are no longer needed and can be deleted.
2. We don't want this draft to affect WPL's existing Shared Savings program. The Shared Savings program is quite similar to an Immediate Savings energy efficiency program, but we don't want Shared Savings to make changes that would conform it to the requirements of an Immediate Savings program. Including an "Initial Applicability" section that focuses only on program applications the PSC receives after the effective date of the act would avoid this problem.

If you have any concerns about these two ideas, please contact me (6-5621) or Mark (6-0131). Mark said that he will go ahead and rewrite the draft, unless you contact him with alternate instructions.

Thanks.

02/09/2009



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1895/P2

MDK:jld:ph

2-9-09

P3

DOA:.....Hynek, BB - Milwaukee energy efficiency program

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

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1 AN ACT ...; relating to: the budget. ✓

authorizes ✓

✓ authorization
authorization

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

PUBLIC UTILITY REGULATION

This bill allows an investor-owned electric or natural gas public utility (energy utility) to apply to the PSC for an order requiring the energy utility to administer, fund, or provide administrative services for a program that invests in energy efficiency improvements for customers in which the costs borne by a customer for such an improvement are offset by the energy savings resulting from the improvement. If the PSC issues an order for such a program, the energy utility must file a tariff specifying the terms and conditions of utility and nonutility service provided to customers for improvements under the program. A tariff must include terms and conditions for billing customers, as well as contracts between an energy utility and an owner of property that is benefited by an improvement that require the owner to do the following: 1) inform lessees that are liable for utility service that the cost of the improvement will appear on the lessees' utility bills; and 2) inform a purchaser of the property that the purchaser, or any other person who is liable for utility service at the property, is liable for the unpaid costs of the improvement and that such costs will appear on utility bills for the property.

The bill also does the following: 1) allows an energy utility to include a separate line item on customer bills that offsets certain costs of the program with energy savings resulting from an improvement made under the program; 2) prohibits an

energy utility from recovering from ratepayers any bad debt related to nonutility services provided under a program; and 3) requires an owner of residential property to make a disclosure about an improvement made under a program on the real estate conditions report that is required for property transfers.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 196.374 (1) (i) of the statutes is renumbered 196.374 (1) (i) (intro.)
2 and amended to read:

3 196.374 (1) (i) (intro.) "Ordered program" means an any of the following:

4 1. An energy efficiency or renewable resource program that an energy utility
5 commenced on or after January 1, 2001, under a commission order issued on or after
6 January 1, 2001, and in effect before July 1, 2007.

7 **SECTION 2.** 196.374 (1) (i) 2. of the statutes is created to read:

8 196.374 (1) (i) 2. An immediate savings energy efficiency program ordered
9 under sub. (2) (d) 1.

10 **SECTION 3.** 196.374 (2) (d) of the statutes is created to read:

11 196.374 (2) (d) *Immediate savings energy efficiency programs.* 1. The
12 commission may, upon application by an energy utility, ~~order~~ ^{authorize} the energy utility to
13 administer, fund, or provide administrative services for an immediate savings
14 energy efficiency program that invests in energy efficiency improvements for utility
15 customers in which the costs borne by a customer for an improvement are offset by
16 the energy savings resulting from the improvement. ^{authorized}

17 2. An energy utility for which an immediate savings energy efficiency program
18 is ~~ordered~~ ^{authorized} under subd. 1. shall file a tariff specifying the terms and conditions of
19 utility and nonutility service provided to customers for whom improvements are
20 made under the program. A tariff filed under this subdivision shall have no effect

1 until approved by the commission. A tariff filed by an energy utility under this
2 subdivision shall include all of the following:

3 a. Terms and conditions for billing customers for utility and nonutility service
4 related to improvements benefiting the customers.

5 b. A contract between the energy utility and an owner of property benefited by
6 an improvement that requires the owner to inform any property lessees who are
7 liable for utility service that the cost of the improvement will appear on the lessees'
8 utility bills.

9 c. A contract between the energy utility and an owner of property benefited by
10 an improvement that requires the owner to inform any purchaser of the property
11 that the purchaser, or any other person who is liable for utility service at the property,
12 is liable for the unpaid cost of the improvement and that such unpaid cost will appear
13 on utility bills for the property.

14 d. Any other term or condition required by the commission.

15 3. An energy utility for which a tariff is approved under subd. 2. for an
16 immediate savings energy efficiency program may include a separate line item on
17 bills of a customer at a property benefited by an improvement made under the
18 program that offsets the costs of the program borne by the customer with the energy
19 savings resulting from the improvement. Notwithstanding s. 218.04, an energy
20 utility need not obtain a license as a collection agency for this billing practice.

21 4. Any costs that an energy utility incurs to administer, fund, or provide
22 administrative services for an immediate savings energy efficiency program are in
23 addition to the amounts the commission shall require the energy utility to spend
24 under sub. (3) (b) 2.

1 5. An energy utility may not recover from ratepayers any bad debt related to
29 nonutility services provided under an immediate savings energy efficiency program.

3 **SECTION 4.** 196.374 (3) (b) 2. (intro.) of the statutes is amended to read:

4 196.374 (3) (b) 2. (intro.) The commission shall require each energy utility to
5 spend 1.2 percent of its annual operating revenues to fund the utility's programs
6 under sub. (2) (b) 1., the utility's ordered programs that are described under sub. (1)
7 (i) 1., the utility's share of the statewide energy efficiency and renewable resource
8 programs under sub. (2) (a) 1., and the utility's share, as determined by the
9 commission under sub. (3) (b) 4., of the costs incurred by the commission in
10 administering this section. Subject to approval under subd. 3., the commission may
11 require each energy utility to spend a larger percentage of its annual operating
12 revenues to fund these programs and costs. The commission may make such a
13 requirement based on the commission's consideration of all of the following:

14 **SECTION 5.** 709.03 (form) C. 25m. of the statutes is created to read:

15 709.03 (form)

16 C.25m. I am aware that an improvement has been
17 made to the property under an immediate
18 savings energy efficiency program ordered
19 under s. 196.374 (2) (d) and that utility bills
20 for the property will include unpaid costs of
21 the improvement.

22 **SECTION 9341. Initial applicability; Public Service Commission.**

1 (1) IMMEDIATE SAVINGS ENERGY EFFICIENCY PROGRAMS. The treatment of section
2 709.03 (form) C. 25m. of the statutes first applies to original real estate condition
3 reports that are furnished on the effective date of this subsection. ✓

4 (END)

(b) The treatment of section ✓
196.374(2)(d) ✓ of the statutes
First applies to programs for
which applications are made
on the effective date of
this paragraph. ✓

Kunkel, Mark

From: Ludwig, David PSC [David.Ludwig@psc.state.wi.us]
Sent: Tuesday, February 10, 2009 4:16 PM
To: Hynek, Sara - DOA; Kunkel, Mark
Subject: RE: LRB Draft: 09-1895/P3 Milwaukee energy efficiency program

Mark, I see that the word "ordered" appears in one more place in LRB-1895/P3—page 4, line 3. It could be changed to "authorized."

From: Hynek, Sara - DOA [mailto:Sara.Hynek@Wisconsin.gov]
Sent: Monday, February 09, 2009 3:27 PM
To: Zolik, Nathan PSC; Ludwig, David PSC; Lorence, John PSC
Subject: FW: LRB Draft: 09-1895/P3 Milwaukee energy efficiency program

Gentlemen, FYI, the latest draft of the Me2 proposal.

Sara Hynek
Dept. of Administration
608-266-1923

From: Henry, Patty [mailto:Patty.Henry@legis.wisconsin.gov]
Sent: Monday, February 09, 2009 3:25 PM
To: Hynek, Sara - DOA
Cc: Grinde, Kirsten - DOA; Hanaman, Cathlene - LEGIS; Beadles, Kathleen - DOA
Subject: LRB Draft: 09-1895/P3 Milwaukee energy efficiency program

Following is the PDF version of draft 09-1895/P3.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1895/P3

MDK:jld:ph

O-NOTE

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DOA:.....Hynek, BB - Milwaukee energy efficiency program

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

2-11-09

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1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

PUBLIC UTILITY REGULATION

This bill allows an investor-owned electric or natural gas public utility (energy utility) to apply to the PSC for authorization to administer, fund, or provide administrative services for a program that invests in energy efficiency improvements for customers in which the costs borne by a customer for such an improvement are offset by the energy savings resulting from the improvement. If the PSC authorizes such a program, the energy utility must file a tariff specifying the terms and conditions of utility and nonutility service provided to customers for improvements under the program. A tariff must include terms and conditions for billing customers, as well as contracts between an energy utility and an owner of property that is benefited by an improvement that require the owner to do the following: 1) inform lessees that are liable for utility service that the cost of the improvement will appear on the lessees' utility bills; and 2) inform a purchaser of the property that the purchaser, or any other person who is liable for utility service at the property, is liable for the unpaid costs of the improvement and that such costs will appear on utility bills for the property.

The bill also does the following: 1) allows an energy utility to include a separate line item on customer bills that offsets certain costs of the program with energy savings resulting from an improvement made under the program; 2) prohibits an

energy utility from recovering from ratepayers any bad debt related to nonutility services provided under a program; and 3) requires an owner of residential property to make a disclosure about an improvement made under a program on the real estate conditions report that is required for property transfers.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 196.374 (2) (d) of the statutes is created to read:

2 196.374 (2) (d) *Immediate savings energy efficiency programs.* 1. The
3 commission may, upon application by an energy utility, authorize the energy utility
4 to administer, fund, or provide administrative services for an immediate savings
5 energy efficiency program that invests in energy efficiency improvements for utility
6 customers in which the costs borne by a customer for an improvement are offset by
7 the energy savings resulting from the improvement.

8 2. An energy utility for which an immediate savings energy efficiency program
9 is authorized under subd. 1. shall file a tariff specifying the terms and conditions of
10 utility and nonutility service provided to customers for whom improvements are
11 made under the program. A tariff filed under this subdivision shall have no effect
12 until approved by the commission. A tariff filed by an energy utility under this
13 subdivision shall include all of the following:

14 a. Terms and conditions for billing customers for utility and nonutility service
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18 liable for utility service that the cost of the improvement will appear on the lessees'
19 utility bills.

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4 is liable for the unpaid cost of the improvement and that such unpaid cost will appear
5 on utility bills for the property.

6 d. Any other term or condition required by the commission.

7 3. An energy utility for which a tariff is approved under subd. 2. for an
8 immediate savings energy efficiency program may include a separate line item on
9 bills of a customer at a property benefited by an improvement made under the
10 program that offsets the costs of the program borne by the customer with the energy
11 savings resulting from the improvement. Notwithstanding s. 218.04, an energy
12 utility need not obtain a license as a collection agency for this billing practice.

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14 administrative services for an immediate savings energy efficiency program are in
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18 nonutility services provided under an immediate savings energy efficiency program.

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6 the improvement.

7 **SECTION 9341. Initial applicability; Public Service Commission.**

8 (1) IMMEDIATE SAVINGS ENERGY EFFICIENCY PROGRAMS.

9 (a) The treatment of section 709.03 (form) C. 25m. of the statutes first applies
10 to original real estate condition reports that are furnished on the effective date of this
11 paragraph.

12 (b) The treatment of section 196.374 (2) (d) of the statutes first applies to
13 programs for which applications are made on the effective date of this paragraph.

14 (END)

D-Note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1895/P4dn

MDK:.....
kyf

Date

Sara Hynek:

This version is identical to the previous version, except that "ordered" is changed to "authorized" in s. 709.03 (form) C. 25m.

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1895/P4dn
MDK:kjf:jf

February 11, 2009

Sara Hynek:

This version is identical to the previous version, except that "ordered" is changed to "authorized" in s. 709.03 (form) C. 25m.

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.wisconsin.gov



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1895/P4
MDK:jld:jf

DOA:.....Hynek, BB - Milwaukee energy efficiency program

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to: the budget.**

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4 is liable for the unpaid cost of the improvement and that such unpaid cost will appear
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6 d. Any other term or condition required by the commission.

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8 immediate savings energy efficiency program may include a separate line item on
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9 (a) The treatment of section 709.03 (form) C. 25m. of the statutes first applies
10 to original real estate condition reports that are furnished on the effective date of this
11 paragraph.

12 (b) The treatment of section 196.374 (2) (d) of the statutes first applies to
13 programs for which applications are made on the effective date of this paragraph.

14 (END)